



TENNESSEE REAL ESTATE News-Journal

An Official Publication of the Tennessee Real Estate Commission

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Commission Elects Haynes Chairman and Almany Vice Chairman for 2004-2005



Charles Haynes



Frances Almany

Commissioner Charles Haynes has been elected Chairman and Commissioner Frances Almany has been elected Vice-Chairman by the Commission at its July 2004 meeting.

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Barney Thompson Receives 2004 "Bill" Tune Award for Excellence in Real Estate Education



Comm. Almany, Barney Thompson & Former Comm. Koehner at Tune Award Presentation

Barney Thompson, Executive Director of the Knoxville Area Association of REALTORS (KAAR) was awarded the 2004 William "Bill" Tune Award for Excellence in Real Estate Education at a luncheon in his honor in Knoxville on May 5, 2004. Barney began his teaching career in 1968 at South High School in Knoxville and his real

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Governor Bredesen Appoints Patty Lampley and Bear Stephenson to Real Estate Commission

Patty Lampley of Nashville and Bear Stephenson of Clinton have been appointed by Governor Bredesen to serve on the Tennessee Real Estate Commission from July 1, 2004 through June 30, 2009.

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Commission Adopts Policy on Exclusive Buyer Representation

The Tennessee Real Estate Commission recently adopted a policy concerning exclusive buyer representation between a buyer and the buyer's agent. The policy is printed in its entirety on page 5 of this edition of the News-Journal.

E&O Insurance for 2005-2006

The State Contracted E&O Insurance for 2005-2006 will be available through Rice Insurance Services Company, LLC for a lower premium price of \$260.00 for the two year licensing period. Rice will be mailing applications to licensees at the mailing address of record provided by the TREC office. Contact information for Rice is located on page 6 of this News-letter.

Barney Thompson, continued from page 1 estate teaching career in 1980 at KAAR. Other teaching venues include the American Red Cross where he taught First Aid and CPR, various Tennessee Chambers of Commerce where he teaches management and leadership courses, Janus Hall School – Commonwealth Psychiatric Institute in Richmond Virginia where he taught children with learning disabilities and supervised graduate students in special education, and the National Association of REALTORS where he teaches Ethics and Professional Standards, Agency, Fair Housing, Leadership Development, Leadership Training and Personal Development.

Barney and his wife LaRue have three children and four grandchildren. His daughter Wendy has been the Controller for KAAR for 20 years, older son Tres is in corporate computer service in Knoxville and younger son Wesley is a career naval instructor at Great Lakes Naval Center in Chicago. Barney spends all the time he can with his grandchildren. He and his wife love to travel. After the award luncheon, they left for Russia.

Barney has earned nine professional designations in the areas of real estate and training.

The Tune Award has been granted annually by the Commission since 1996 to real estate educators who represent the highest ideals of dedicated service and professionalism in real estate education.

Points to Ponder for an Efficient License Renewal this Fall

All affiliate, broker, principal broker, timeshare salespersons, licensed acquisition agents, real estate firms and vacation lodging services licenses and timeshare registrations expire December 31, 2004. In order to have a valid license and to legally practice on or after January 1, 2005 these licenses must be renewed by November 1, 2004. Following are some guidelines for an efficient license renewal.

- License renewal applications will be mailed in September 2004 to the mailing address of record. The address of record for all active licensees is the firm to which they are affiliated. The address of record for inactive and retired licensees is the home address of record.
- If you are required to complete continuing education, that education must have a completion date no later than November 1, 2004.
- E&O Insurance: If you are insured by the state contracted E&O Insurance provider, you must purchase 2005-2006 coverage on or before November 1, 2004. If you are insured by an alternative E&O insurance policy, that policy must have an expiration date no earlier than January 1, 2005.
- The renewal application must be signed by the licensee (or the principal broker in the case of firms) and dated no later than November 1, 2004.
- The check for \$80.00 must be signed and dated no later than November 1, 2004.
- All requirements for license renewal must be either postmarked or in the TREC office by November 1, 2004.
- Principal Brokers must renew their licenses before any affiliated licensees (either brokers or affiliates) will receive their license renewal certificates.

JoNelda Blalock and Ted Koehner Complete Commissioner Terms

Ted Koehner and JoNelda Blalock completed their terms on the Tennessee Real Estate Commission on June 30, 2004. Ted, who lives in Bristol, served as an industry Commission member and Jo, a Knoxville resident, served as a consumer member of the Commission.

Both Jo and Ted have a keen interest in real estate as a profession with emphasis on consumer protection and education of real estate practitioners. An appreciation dinner for both was hosted by Chairman Charles Haynes and his wife Michelle this past June.

DISCIPLINARY ACTION

MARCH 2004

Garry A. Maness
Lic. No. AF269205
Memphis, TN

Mr. Maness had pled guilty to a crime in violation of T.C.A. §62-13-312(b)(12). Following a formal administrative hearing, the Commission determined his license should be suspended beginning March 5, 2004 until such time as he is released from custody, at which time his license shall be reinstated and placed on probation for a period of 2 years.

APRIL 2004

DANIEL-MUSICK
REALTY
Lic. No. FM11513
Bristol, TN

Principal Broker James K. Daniel, Jr. agreed to pay a civil penalty of \$500 for failing to maintain accurate records and failing to provide documentation of agency disclosure.

CHAD HUSKEY
Lic. No. TS272678
Gatlinburg, TN

Mr. Huskey agreed to pay a civil penalty of \$250.00 for failure to timely complete administrative measures to transfer his license.

TIMBER TOPS, LLC
Unlicensed at time of
infraction
Sevierville, TN

Timber Tops, LLC agreed to pay a civil penalty for engaging in Vacation Lodging Service

activities requiring a license without being properly licensed to do so.

MAY 2004

TOMMY J. NORTON, JR
Lic. No. TS273337
Pigeon Forge, TN

Mr. Norton agreed to pay a civil penalty of \$250.00 for failure to timely provide proof of E&O Insurance.

CONCETTA FARINA
Lic. No. PB248325
Collierville, TN

Ms. Farina consented to pay a \$500.00 civil penalty for failure, within a reasonable time, to account for or to remit money belonging to others.

JUNE 2004

JIM STILES
Lic. No. AF211216
Germantown, TN

Mr. Stiles consented to pay a civil penalty of \$600.00 for failure to timely provide proof of E&O insurance.

COLDWELL BANKER
COMMERCIAL
ACUMEN REALTY
Lic. No. FM257528
Nashville, TN

Principal Broker Nancy McGrath agreed to pay a civil penalty of \$250.00 for failure to have an escrow account.

BILLY N. JACKSON
Lic. NO. AF6561
Savannah, TN

Following a formal administrative hearing, the Commission determined Mr. Jackson was guilty of misrepresentation, improper conduct and dishonest dealing when he misrepresented his home address in order to affiliate with a firm more than 50 miles from his actual home. The Commission further determined his license should be placed on probation for a period of 2 years. Mr. Jackson must complete 12 hours of approved education and pay a civil penalty of \$1,000.00.

DENNIS L. SUTTMILLER
Lic. No. AF273965
Soddy Daisy, TN

Mr. Suttmillier consented to complete 10 hours of approved education for a Commission finding of improper conduct.

SHELBY JEAN BECKER
Lic. No. AF250246
Pigeon Forge, TN

Ms. Becker consented to pay a \$650.00 civil penalty after it was determined she had kept part of the purchase price from the sale of some personal property without the consent of the complainants.

JULY 2004

ROBERT WOOD, JR
Lic. No. PB230276
Lebanon, TN

Mr. Wood consented to pay a civil penalty of \$500.00 for holding earnest money without making disposition after the contract fell through.

Disciplinary Action continued from page 3

DAVID C. HUEY
Lic. No. AF284366
Brentwood, TN

Mr. Huey consented to pay a civil penalty of \$500.00 for placing a newspaper advertisement prior to becoming licensed and failing to include the firm phone number in subsequent advertisements.

THE SPECTRA GROUP
Lic. No. FM255419
Memphis, TN

Principal Broker Jeff Farmer, Jr. agreed to pay a civil penalty of \$500.00 for failing to display signage and failing to timely notify the Commission of a change in business address.

LANDMARK REALTY SERVICES CORP
Lic. No. FM218876
Nashville, TN

Principal Broker Robert E. Lehning, Jr. agreed to pay a civil penalty of \$500.00 for failure to timely notify the Commission of a change in business location and failure to timely deposit earnest money in a real estate transaction.

GARRY D. McCLANAHAN
Lic. No. BR273784
(revoked)
and CRYE-LEIKE FIRST CHOICE
Lic. No. FM256700
(revoked)
Talbot, TN

Following a formal administrative hearing, the real estate licenses of Mr. McClanahan and Crye-Leike First Choice were revoked and a civil penalty of \$100,000.00 was assessed for failure to remit or account for earnest monies and failure to promptly tender offers.

Frequently Asked Questions

Following are few frequently asked questions received on a regular basis at the TREC administrative office.

I am an affiliate broker (or affiliated broker). Can I pay an unlicensed assistant?

Unlicensed assistants can be paid by the affiliated licensee for all clerical and secretarial activities conducted on behalf of the employing licensee. An unlicensed assistant cannot be compensated for the performance of duties that require a license.

I have a licensed assistant. How can I pay him/her for activities that require a license?

A person engaged in activities that require a license must have a valid active license and be affiliated with the firm where the licensee is affiliated for whom s/he is acting as an assistant. Compensation received for activities that require a license must be paid by the licensed real estate firm where the assistant is affiliated.

I have been asked by a new home builder to act as a salesperson for him/her. Since s/he owns the homes, do I need an active real estate license to sell for the builder?

Yes, salespersons engaged or hired by new home builders are required to be licensed. You must be affiliated with a licensed real estate firm and conduct your business through the firm. The builder cannot avoid the requirements by

paying a salary or hourly compensation.

I am a licensed auctioneer. I have a real estate license and I am affiliated with ABC realty. I own a separate licensed auction firm. The Auction Company is licensed by the Tennessee Auctioneer Commission. Can I sell real property at auction using my real estate license and my auction firm license?

No, you can only sell real property through the licensed real estate firm where you are affiliated. Your licensed auction firm could sell real property only if it obtained a new real estate firm license. A real estate firm license must have a principal broker. You would then need to transfer your license to the new real estate firm in order to be able to act as a real estate agent for The Auction Company.

Attention

Principal Brokers:

The TREC Audit Section has developed an information packet for new principal brokers. Licensees who have reviewed the packet determined there is information which established principal brokers might want to have available. If you are interested in obtaining a packet, please contact the TREC administrative office at 800-342-4031, when the automated phone system answers, make selections 3 then 1 – leave a message requesting the principal broker packet and your name and mailing address.

Continued from Page 1, Gov. Bredeesen...

Commissioner Lampley, appointed as a consumer member, holds the position of Deputy Tax Accounting with the Davidson County Trustee's office. A graduate of Peabody College with a degree in education, Ms. Lampley has been working with Metro Government since the mid-1970s. Ms. Lampley is active in local, state and federal political campaigns and worked for the Red Cross in Vietnam prior to joining Metro Government. Commissioner Lampley enjoys reading, golf and college football.

Commissioner Stephenson, a native of Tennessee, a graduate of Tennessee Technological University with a Bachelor of Science Degree in Business Management, and owner/broker at Stephenson Auction and Realty, has held a real estate license since 1976. Prior to entering the real estate profession, Bear served as a First Lieutenant in the U.S. Army with a tour in Vietnam and also worked in banking. He is a licensed Auctioneer who was inducted into the Tennessee Auctioneer Association's Hall of Fame in 1999 and was president of that organization from 1992-1993.

Mr. Stephenson's many and varied civic activities include working with the Anderson County Chamber of Commerce, the Clinton Rotary Club, United Way of Anderson County and Boys State. He conducts more than 60 auctions each year for organizations such as the March of Dimes, Oak Ridge Arts Council, Dream Connection and the Cystic Fibrosis Foundation. When not

working and volunteering, Bear enjoys water and snow skiing, scuba diving, photography and hiking.

Continued from page 1, Commission Elects..

Commissioner Haynes, a native of Sumner County, is a licensed Real Estate Broker, Auctioneer and Commercial Contractor. Active in his community, Haynes is a member of Forward Sumner, Chairman of the Sumner County Planning Commission, and member of the Industrial Development Board and the Highway Improvement Committee for Sumner County. Charles is a member of the Sumner County, State and National Association of

REALTORS and the Middle Tennessee Auctioneer Association.

Commissioner Almany is serving her tenth year with the Commission. She is the owner and president of Almany Realtors in Hendersonville and is a life member of Awards of Excellence for both the Greater Nashville Association of REALTORS and the Sumner Association of REALTORS. Frances also serves on the board of directors for the Sumner Association of REALTORS and the Board of Workforce Essentials, a private nonprofit corporation, which provides employment training to businesses and opportunities for job seekers in nine Tennessee counties and at Fort Campbell.

COMMISSION POLICY STATEMENT

NUMBER: 2004-CPS-001

DATE: JULY 23, 2004

EXCLUSIVE BUYER REPRESENTATION

It is very important that Exclusive Buyers Agents make certain that their clients understand the Exclusive Buyers Representation Agreement before they sign the Agreement. Consumers are complaining that the Buyers Agent did not explain or disclose the Buyer's responsibility in the agreement and that the Buyer can not be represented by another agent during the agreement period. Buyers Agents should make the following disclosures in writing:

1. Buyers should not contact Listing Agents directly to make appointments to view property without their Buyers Agent during the effective period of the Agreement.
2. In the event that the Buyer comes into contact with a Seller's Agent(s) (for example, at an open house viewing) Buyer shall immediately inform the Seller's Agent(s) that he/she is represented by a Buyers Agent.
3. If Buyer buys property through another real estate agent, a Seller's Agent or directly from an owner, Buyer still owes a commission to the Buyers Agent.

ADOPTED BY THE COMMISSION ON JULY 23, 2004.

Tennessee Real Estate Commission

500 James Robertson Parkway, Suite 180
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The deadline for paying the renewal fee, completing continuing education and obtaining E&O Insurance is 11-1-04. Tennessee Real Estate Licenses expire December 31, 2004. License Renewal Applications will be mailed this fall to the licensees' mailing address of record. Please make sure your mailing address is current with the Commission.

"The Tennessee Department of Commerce and Insurance is committed to principles of equal opportunity, equal access, and affirmative action." Contract the EEO Coordinator or ADA Coordinator (615) 741-1328, for TDD 615-741-6276



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TREC Contact Information:
(615) 741-2273 or 1-800-342-4031
www.state.tn.us/commerce/trec

Personnel & Areas of Responsibility

Licensing Section:

Belinda Campbell
Hester Curtis
Betty Demonbreum
Gil Dyer
Rachel Fowler
Kamelia Gergis
Darlene Hendrix
Conell House
Karen Patton
Donna Swanson

Support Section:

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